



ENERGY ASSURANCE DAILY

Monday, July 23, 2007

Electricity

Texas PUC Designates 8 Zones for Transmission Lines to Serve New Wind Projects

The Texas Public Utilities Commission designated eight zones as the best sites for the construction of new power lines to serve more than 20,000 MW of proposed wind generation.

Reuters, 17:49 July 20, 2007

Update: APS's 1,314 MW Palo Verde Nuke Unit 1 in Arizona Up to 95 Percent July 23

The unit ramped up to 95 percent of capacity by early July 23. On July 20, the unit was operating at 20 percent of capacity after exiting an outage. The unit shut on July 19 due to an overspeed trip as it was attempting to restart following a refueling outage.

Reuters, 07:34 July 23, 2007

Update: Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Exits Outage July 23

The unit exited an outage and ramped up to 70 percent of capacity by early July 23. The unit shut on July 17 due to an electrical fault in one of three feedwater pumps.

Reuters, 07:15 July 23, 2007

FPL's 693 MW Turkey Point Nuke Unit 4 in Florida Shut July 22

Reuters, 10:28 July 23, 2007

AES's 495 MW Alamos Gas-fired Unit 6 in California Shut July 22

Reuters, 10:28 July 23, 2007

Complete's 260 MW La Paloma Gas-fired Unit 1 in California Shut July 22

Reuters, 10:28 July 23, 2007

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut July 23

Reuters, 10:28 July 23, 2007

Petroleum

BP's Whiting, Indiana Refinery Expansion Faces Opposition Following Environmental Waiver

Having received a permit raising allowable discharge of ammonia and total suspended solids into Lake Michigan on June 21, 2007, BP is facing growing opposition to its \$3.8 billion reconfiguration of its Whiting, Indiana refinery. Fears over the environmental implications of such an increase in pollutants have led to a petition drive that demands the permit be rescinded. The planned reconfiguration will give the Whiting refinery the capability to process the heavier Canadian crude oil and also has the potential to increase its production of motor fuels by about 15 percent. Indiana Department of Environmental Management Commissioner Thomas Easterly stood by last month's decision in a press release July 19. Construction of the project is tentatively scheduled to begin this year and be completed by 2011, pending regulatory approvals.

http://www.in.gov/idem/permits/water/wastewater/public_notice/bp_easterly.doc

<http://www.news-entinel.com/apps/pbcs.dll/article?AID=/20070718/EDITORIAL/707180325>

http://www.suburbanchicagonews.com/beaconnews/news/479801.2_1_AU23_POLLUTE_S1.article

<http://whiting.bp.com/go/doc/1550/165362/>

U.S. Refinery Disruptions at Record Levels in 2007

U.S. oil refineries across the United States have experienced a record number of fires, power failures, leaks, spills and breakdowns this year, causing dozens of them to shut down temporarily or trim production. As a whole, refining disruptions have been considerably higher than in previous years: they averaged 1.5 million b/d in the first quarter, compared with 700,000 to 900,000 b/d from 2001 to 2005. In 2006, when refiners were still reeling from the impact of the hurricanes, disruptions in the first quarter averaged 1.35 million b/d.

http://www.nytimes.com/2007/07/22/business/22refine.html?_r=1&oref=slogin

Update: Normal Production Expected This Week at Husky's 146,000 b/d Lima, Ohio

Refinery – Traders

Traders told Reuters that they expect the refinery to return to normal production later this week. On July 19 the refinery lost electrical power to a portion of the plant due to a small fire in an electrical substation on the refinery site. The outage cut operating rates to approximately 25 percent of capacity.

<http://www.huskyenergy.ca/news/newsrelease.asp?NewsReleaseID=168>

Reuters, 10:36 July 23, 2007

Update: FCCU to Restart This Week at Valero's 87,000 b/d Ardmore, Oklahoma Refinery

Valero Energy Corp. said it expects to restart the fluidic catalytic cracking unit (FCCU) this week. The unit was shut on July 6 for unplanned maintenance. On July 11, a company spokesman said that fuel production would be cut by 35,000 b/d of gasoline and 10,000 b/d distillates while the unit was down.

Bloomberg News, 10:19 July 23, 2007

Update: Coker Back at Full Rates at Shell's 334,000 b/d Deer Park, Texas Refinery -

Traders

According to traders, the coking unit was back a full rates late last week. The unit was shut due to mechanical problems on July 19.

Reuters, 10:22 July 23, 2007

Instrumentation Problem Shuts Hydrocracker at Valero's 171,000 b/d McKee Refinery in Texas July 21

The company said the 30,000 b/d hydrocracking unit was shut due to an instrumentation problem. The unit is expected to be back at full rates by the end of the week.

Reuters, 10:56 July 23, 2007

Process Upset at ConocoPhillips's 146,000 b/d Borger, Texas Refinery July 22

According to a filing with Texas regulators, the refinery experienced a process upset causing an emissions event that lasted for 8 ½ hours.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=94413>

Kinder Morgan's Cajon Booster Station on CALNEV Pipeline Began Service Last Week

Last week the company completed and began service on the Cajon booster station, which raises capacity on the CALNEV petroleum product pipeline system to approximately 157,000 b/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1029262&highlight>

Update: Kinder Morgan to Continue with CALNEV Pipeline Expansion to Las Vegas

Kinder Morgan Energy Partners, L.P. announced July 23 that it is continuing the development of the expansion of its CALNEV pipeline system into Las Vegas, Nevada, following the Federal Energy Regulatory Commission (FERC) approval of the project's proposed rate structure. The expansion involves the construction of a new 16-inch diameter pipeline from Colton, California to Las Vegas. System capacity would increase from 157,000 b/d to approximately 200,000 b/d upon completion of the new pipeline, and capacity could be increased as necessary to over 300,000 b/d with the addition of pump stations. The expansion is expected to be complete in 2010.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1029262&highlight>

Federal Court Order Delays Shell Oil Exploration Activities in Beaufort Sea Off Alaska

A U.S. federal appeals court has delayed until at least mid-August Royal Dutch Shell plc's plans to begin exploration activities in the Beaufort Sea off the Alaskan coast due to a legal challenge from environmental groups arguing that the U.S. Minerals Management Service (MMS) did not take into account the risk to polar bears and whales when issuing Shell an exploration permit. "Vessels currently located in the Beaufort and Chukchi seas shall cease all operations performed in furtherance of that program, but need not depart the area," the order said.

NGI's Daily Gas Price Index, July 23, 2007

<http://intelligencepress.com/>

http://biz.yahoo.com/ap/070721/shell_offshore_drilling.html?.v=4

<http://business.guardian.co.uk/story/0,,2133042,00.html>

Update: Operations Resume July 23 at Fire-Damaged Pier at Ras Tanura Oil Export Terminal in Saudi Arabia

Saudi Aramco said July 23 that operations had resumed from a fire-damaged pier at the kingdom's 5.5 - 6 million b/d Ras Tanura oil export, although two berths remained closed. Saudi Aramco said that crude and oil product exports from the terminal were unaffected as the company was able to divert exports to other berths.

<http://www.saudiaramco.com/irj/portal/anonymous>

Reuters, 04:00 July 23, 2007

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| July 23, 2007 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 74.65 | 74.11 | 73.45 |
| NATURAL GAS Henry Hub \$/Million Btu | 6.00 | 6.32 | 6.14 |

Source: Reuters

Energy Notes

Lightning Strike Knocks Out Power to 18,000 Tucson Electric Power Customers in Arizona July 21

<http://www.azstarnet.com/sn/hourlyupdate/192881.php>

Wreck Affects Two Substations and Knocks Out Power to 11,559 Pacific Power Customers in Oregon July 23

http://www.dhonline.com/articles/2007/07/22/news/local/1aaa04_poweroutage.txt

Tampa Electric Company Seeks Approval to Build Coal/Biomass-fired Power Plant in Polk County, Florida

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BnqmpmouWUgc%7DGJ%7Bbfem%5Ev>

Canadian National Energy Board Ruling Favors Opening Eastern Canada to Offshore LNG Cargoes

<http://intelligencepress.com/>

Analysts Say Mexican Oil and Gas Pipelines are Vulnerable to New Sabotage

<http://www.azstarnet.com/news/192824>

Ecuadorian President Wants Wealthy Nations to Pay Ecuador to Not to Develop 1 Billion Barrels of Oil Under Yasuni Rainforest

Reuters, 14:03 July 23, 2007

Russia Stops Exporting Refined Products via Estonia

Russia Says it Plans to Export All Products via Own Ports

Reuters, 09:25 July 23, 2007

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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